

LATE REPORTS

Review Of Council's Services And Organisational Structure (Part 2)

Our leadership

Setting a benchmark for community standards

Vision: A well run council acting as the voice of the community

DP14.4 Ensure the long term financial sustainability of council through effective and prudent financial management.

Author: General Manager

Officer's Recommendation:

1. That the general manager undertakes a comprehensive review of the following services:

Aged Care / Community Services / Economic Development and Tourism;

2. That this review coincides with the preparation of the 2016/17 budget process;

3. That the review takes into account a measurement of outcomes in each of the areas against the key performance indicators identified in the Community Strategic Plan.

Introduction

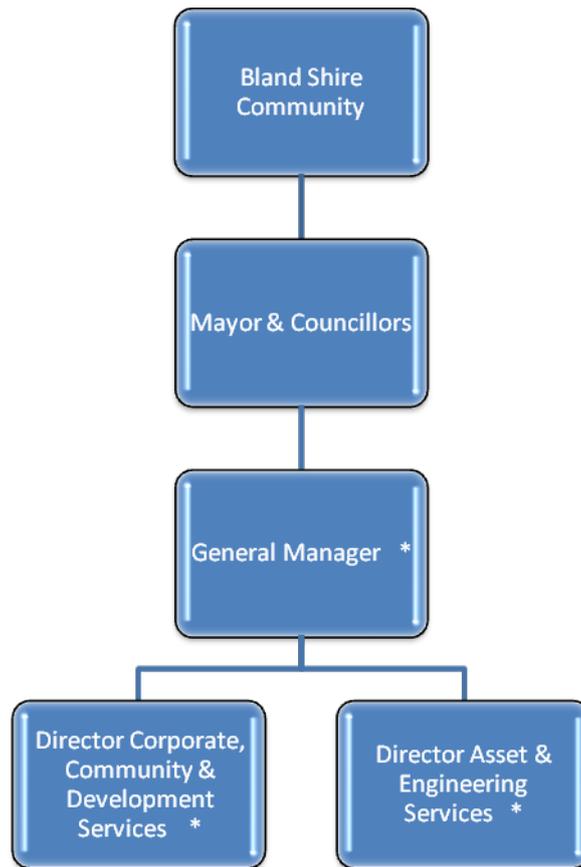
Council at its meeting held on 17 November 2015 resolved that I re-examine council's organisational structure with a focus on noncore services and that such report be submitted to the December 2015 meeting.

In undertaking any such review council must have a valid reason and an identified objective as an outcome of such a review.

Clause 2 of the Local Government (State) Award 2014 states that the parties are committed to co-operating positively to increase the productivity, structural efficiency and financial sustainability of Local Government and to provide employees with access to more fulfilling, varied and better paid work. This involves measures that will, among other things, *promote cooperative and open change management processes.*

Council must first, however, determine what are core and noncore services. Long gone are the days when a council's core services consisted of rubbish collection, road maintenance and levying rates. Under the Local Government Act 1993, Chapter 6 confers on councils their service and non-regulatory functions.

Many of these functions are undertaken by Bland Shire Council as can be seen from the following current organisation chart and list of responsibility areas.



Responsibility Areas		
Office of the General Manager	Corporate, Community & Development Services Directorate	Asset & Engineering Services Directorate
<ul style="list-style-type: none"> • Governance • Internal Audit • Compliance • Executive Support • Human Resource Management • EEO • Training • Payroll • IPR Development & Review • Economic Development/ Tourism 	<ul style="list-style-type: none"> • Rates • Corporate Budget – finance operations • Annual Financial Statements • Long Term Financial Planning • Council Leases • Manage Section 355 Committees • Customer Service • Corporate Records Management & Administration • Information Technology • GIPA • Aged & Community Care • Community Relations • Website • GIS 	<ul style="list-style-type: none"> • Community Development • Youth Services • Family Day Care • Preschool • Mobile Resource Unit • Vacation Care • Toy Library • It Takes A Village Program • Library Services • Town Planning • Development Control • Public Health & Regulatory Controls • Heritage Management • Environmental Management • Ranger • Museums • Visitor Information Delivery
		<ul style="list-style-type: none"> • Urban Sealed Roads • Urban Unsealed Roads • Rural Sealed Roads • Rural Unsealed Roads • Urban Roadside • RTA • Street Cleaning • Aerodrome • Parking Areas • Private Works • Cemeteries • Passive Recreation Areas • Parks & Gardens • Sporting Ovals • Tree Planting & Removal • Cycle/ Walking Paths • Rural Fire Service • State Emergency Service
		<ul style="list-style-type: none"> • Saleyards • Street lighting • Sewerage Services • Subdivision Control • Waste Services • Public Conveniences • Public Swimming Pools • Asset Management • Council Properties Management & Cleaning • Public Halls • Risk Management • Insurances • WH&S • Stores Management • Plant & Depot Management • Noxious Plants • Pest Control

What would have been viewed some years ago as noncore services, such as Aged Care, Community Services and Economic Development and Tourism, are now firmly entrenched in a council's basic service areas.

So, does the current structure meet the needs of council in achieving its objectives outlined in the Community Strategic Plan, particularly in the above service areas? In order to determine the effectiveness and efficiency of these services it will be first necessary to review the achievements in these areas over the past, say five (5) years and to measure the outcomes against the key performance indicators contained within the community strategic plan and associated documentation.

This is a time consuming task but can be undertaken early in 2016 to ensure that any structural changes are highlighted before the completion of the 2016/17 budget. Despite other pressing commitments and priorities I have commenced this review by starting to collect details of projects and tasks from five (5) years ago, the actual outcomes of which will be compared with the expected outcomes.

The last major review of council's organisation structure, conducted by an independent third party, took almost six months to complete.

There is also a sequence of events that council must follow if the recommended structural changes will, or even may, result in any staff redundancies.

Council must seriously consider the implications for the council's workforce of any structural change. Council must engage with affected employees and explain the reasons for any proposed changes and council must resolve formally to implement those changes. Such a review will only be successful if all of the relevant staff are involved in the process.

Conclusion

Council, at this same meeting, will be considering its options in relation to the introduction of a Special Rate Variation (SRV) which is aimed at increasing council's rate revenue with the associated increase being expended on the Shire's road network.

If a SRV does not proceed then there will be increasing pressure to seriously consider reducing actual existing services, whether they be core or noncore services, in an endeavour for council to remain financially sustainable into the future.

Financial Implications

I understand that councillors have an expectation that the day to day operations of the council are managed in a professional and cost effective manner and some financial highlights over the past five (5) indicate that staff are conscious of the need to be accountable and active in identifying savings on a regular basis.

The downward trend in staff costs

2010/11 = 31.0%
2011/12 = 24.0%
2012/13 = 22.5%
2013/14 = 19.9%